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ABSTRACT

This report provides an overview of educational vouchers. The paper outlines a history of the development of the educational voucher idea, examines the OEO proposed educational voucher experiment, and discusses advantages and disadvantages of the system. A summary of State voucher plans is also provided. A related document is EA 003 418. (JF)

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EDUCATIONAL VOUCHERS

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PREFACE

The purpose of this paper is to give the reader a basic overview of Educational Vouchers, and is not intended to be a complete or comprehensive treatment of the subject. A brief list of references is included for those readers who may want to pursue the subject in more detail. This review was prepared by Miss Rita Hegedus.

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EDUCATIONAL VOUCHERS

Introduction

At no time in the past has the worth of the public school system in America been so highly questioned and criticized as the present. In a debate fed in part by The Coleman Report, the fight for school decentralization in the cities, Silberman's Crisis in the Classroom, and the public's demand for accountability, praise has been virtually nonexistent. The problems of the disadvantaged, segregation, bussing, teacher strikes, and parochial aid further complicate a complex situation. Recently, the Office of Economic Opportunity (OEO) announced the funding of a feasibility study for an education voucher system. It has been speculated its effect will be either to exponentially increase the problems of education beyond comprehension, or to offer some solutions to them.

Background

The education voucher system was developed by the Center for the Study of Public Policy (CSPP) in Cambridge, Massachusetts, with support from OEO grants. It is a comprehensively designed system for schooling based on a strong belief in the virtues of competition. The idea is not new. Competitive schools were first offered as an alternative in American education by the noted economist Milton Friedman in 1955. (7) His listeners were few. During the middle and late 60's the idea recurred, and was debated in journals, newspapers and in public forums. (5,14,17) Educational leaders like Clark, Sizer, and Jencks viewed the public school system as a protected public monopoly facing only minimal competition from private and parochial schools. Like any monopoly, the need to change and

to confront critical problems would never happen from within. A similar view was held by the U. S. Chamber of Commerce. Their task force concluded that "the present institutional structure in education may not be the best way to organize it." Rather, the government should "consider continuing to finance education for all children" offering "them as an alternative to public education, financial support for private education up to the amount of the average expenditure in local public schools." (14)

Under the direction of Christopher Jencks, the Center at Cambridge began exploring alternative ways for financing education in December 1969. Jencks has since become the leading advocate for a voucher system. The report, Education Vouchers, issued in December 1970 by CSPP contains detailed information on what an educational voucher system is and how it will operate in a proposed five-year OEO experiment beginning in the fall of 1971.

Education Voucher System Defined

According to Jencks the voucher system will free schools from existing constraints by eliminating their monopolistic privileges. If parents do not like what a school is doing, they can send their children elsewhere. The result would be an enormous pressure on the public schools to improve their quality to keep the children they serve. If they did not, Friedman predicted, they would decline and private alternatives would grow. (7) An abbreviated description of CSPP's model education voucher system follows.

The first step in operating a voucher system is the establishment of an Educational Voucher Agency (EVA). EVA is designed to be a locally controlled body which will receive federal, state and local funds for financing the education of all local children. It will not operate any schools of its own; this remains the

responsibility of the local school board. Among EVA's chief duties would be to issue and redeem vouchers, to provide student transportation, and to disseminate information on the participating schools.

Every spring each family would submit to EVA names of schools to which it wanted to send each of its school-age children in the fall. As long as it had room, a voucher school would be required to admit all students who applied. The local board of education would be responsible for ensuring enough places in publicly managed schools to accomodate every school-age child who did not want to attend a privately managed school. (4)

A voucher school could be an existing public school, a new school opened by the public school board to attract families who would otherwise withdraw their children from the public system, an existing private school, or a new private school opened especially to cater to children with vouchers. (12) In order to cash vouchers, a school would have to:

a. Accept the voucher as full payment of tuition;

b. Accept any applicant as long as it had places;

c. Fill at least half its places by random selection if they have more applicants than places and the other half as they see fit, but not discriminate against ethnic minorities;

d. Accept uniform EVA standards regarding suspension and expulsion;

e. Agree to make a wide variety of information about its facilities, teachers, programs and students available to EVA and the public;

f. Maintain accounts of money received and distributed in a form allowing parents and EVA to determine whether the school was getting its entitled resources, whether a church-operated school was subsidizing church activities, whether a school operated by a

profit-making corporation was siphoning off excessive amounts to the parent corporation;

g. Meet existing state requirements for private schools. (4)

No participating school would be permitted to discriminate against applicants on the basis of race or religion. Furthermore, revenue could be used only for secular instruction. Except for existing state regulations, there would be no restrictions on staffing, curriculum, and the like.

Having enrolled their children, parents would give their vouchers to the school which in turn would redeem them at EVA. The redemption value of a middle or upper-income family's voucher would approximate what the local public schools currently spend on upper-income children, while vouchers for children from low-income families would have a higher value. The monetary incentive for the disadvantaged is regarded as essential in order to overcome their multiple educational handicaps and make these students attractive to schools.

The Proposed Education Voucher Experiment

The Center's report contains extensive information on the proposed OEO sponsored experiment on vouchers tentatively scheduled to begin in September 1971. Only the highlights are presented here. The demonstration will be confined to a single municipality for a minimum of five to eight years. All children in grades K through six in the designated area will be eligible. In general, all of the preceding model guidelines will be observed. No voucher school will be allowed to charge tuition in excess of the vouchers. Pupils attending parochial schools will receive vouchers redeemable at no more than the cost of secular education. Vouchers for the disadvantaged will have a higher value than the others. In the case of an overflow in the number of applicants, voucher schools will be allowed

to fill a limited percent of their places as they wish with the restriction that minority groups be represented by the same percent as the minority group applicants. At least 50% of the remaining places will be filled by lottery. (18)

The demonstration area selected will have at least 10 privately controlled, secular voucher schools, several parochial voucher schools, and several neighborhood public schools. In order to have a suitable population at least 12,000 children between the ages of 5 and 11 need to be within the experimental boundaries. Members of EVA will be elected or appointed so as to represent minority as well as majority interests. (4)

Control groups and extensive evaluation will be part of the project. Among the problems to be resolved are whether the education voucher system will:

a. Increase the share of the nation's educational resources available to disadvantaged children;
b. Produce at least as much mixing of blacks and whites, rich and poor, clever and dull, as the present system;
c. Insure advantaged and disadvantaged parents equal chances of getting their children into the school of their choice;
d. Provide parents (and influential organizations) with information they think necessary to make intelligent choices among schools;
e. Avoid conflict with both the fourteenth amendment prohibition against racial discrimination and the first amendment provisions regarding church and state. (18)

Current Status

In February 1971 the OEO awarded grants to Gary, Indiana; Seattle, Washington; and Alum Rock, California to conduct voucher feasibility studies. All three areas meet the basic requirements outlined for a demonstration area. The communities are expected to tell OEO whether or not they can conduct the experiment. (12) Specifically, the districts must propose:

a. How many public schools should be included in the voucher district;

b. How to establish new schools and stimulate existing ones to participate:

c. How to enlist the support of parochial schools;

d. How much autonomy individual principals should have in designing curriculum, hiring staff, and in experimentation;

e. To what extent parents should participate. (3)

The Gary system, described as being in a deteriorating black urban area, subcontracted the work to the Institute for Advancement of Urban Education of New York. (3) The study in Alum Rock, which has a large Spanish-speaking population, has been subcontracted to the Santa Clara County Office of Education. Seattle, which has substantial minority groups, has contracted the Bureau of School Service and Research from the University of Washington to conduct the study. (8) Until these reports are completed and analyzed by OEO, all plans for the actual experiment remain tentative.

Advantages

According to its advocates, the education voucher system will:

a. Promote general improvement in education through competition;

b. Promote democratic freedom of choice;

c. Increase educational diversity;

d. Give parents some control and responsibility;

e. Promote accountability;

f. Overcome racial and economic limitations of neighborhood schools;

g. Drive bad schools out of business;

h. Improve the education of the disadvantaged;

i. Improve equity among taxpayers;

j. Increase total expenditures for education. (9,10,11,12,18)

Disadvantages

On the other hand, opponents see numerous disadvantages. Among them they believe the education voucher system will:

a. Destroy the public schools;

b. Play havoc with the stabilizing factors in our democratic society;

c. Bring religious, economic, social and political divisiveness;

d. Encourage racism;

e. Become educational hucksterism;

f. Create an unmanageable bureaucracy;

g. Dilute educational opportunities;

h. Make a farce of constitutional separation of church and state;

i. Encourage parents to choose schools based on prejudices;

j. Contradict tradition of local support and control. (1,10,13,16,18,19)

In general, organized educational groups, both union and professional, are opposed to vouchers. At the NEA July 1970 convention, a resolution was passed stating vouchers "could lead to racial, economic, and social isolation of children and weaken or destroy the public school system." It further warned competition would widen the gap between rich and poor schools since students would desert

poor schools to attend better ones, leaving a dumping ground for students whose parents don't have the sophistication to use the system. The NAACP condemned voucher plans in principle at its July convention fearing, "the result would be the perpetuation of segregation in schools." (11) Local education leaders also appear as members of the opposition. A random selection of eight school board members give an "acid assessment" of vouchers in a review by the American School Board Journal.

It should be noted that an accurate account of the opposition to vouchers is difficult because definitions for vouchers vary. Since the CSPP report was only recently issued, it is doubtful if all the opposing arguments presented above are applicable. The Center recognizes at least seven possible avenues for improving the educational system. They found the "regulated compensatory model" the most acceptable one on which to base their education voucher system. A majority of other proposed voucher plans are not based on the regulated compensatory model, and may, therefore, suffer by comparison.

State Voucher Plans

State voucher plans for aiding private schools exemplify types based on other models. Almost all proposed state legislation on vouchers, including Delaware's two house bills, is designed to prevent the collapse of the Catholic school system. (15) Five states have already enacted statutes which provide aid to privately controlled schools. The action of three of the states (Connecticut, Rhode Island and Pennsylvania) has been brought before the Supreme Court as a single case, where a ruling is expected sometime in the late spring. The legislation has been generally justified by arguments for saving the taxpayer money and preserving diversity and choice for parents. It has been opposed on the grounds that it would end the separation of church and state, exacerbate cultural schisms, and intensify racial segregation. (4)

"In general, the bills and acts take one of two forms: contracts for the purchase of secular services, or per-pupil payments to parents for private school costs. Purchase of secular services contracts usually provide that the state will pay a teacher some portion of his salary for the time spent teaching secular courses. The contracts, which sometimes also include teaching materials and the costs of standardized testing, are negotiated between the state department of education and either the school or the particular teacher. Payment is usually provided after the service has actually been rendered. The pupil payment plans provide parents with vouchers which can be negotiated for "secular educational services" at approved private schools. The amount of the voucher sometimes equals what the state would pay a local school board for educating the child, but sometimes it is simply an arbitrary amount."(4)

The majority of these bills, including Delaware's proposed legislation, differ in several fundamental respects from the OEO's proposed voucher system. They are designed to save the taxpayer money; the voucher system is not. They are designed to preserve the existing range of public and parochial alternatives; the voucher system would broaden it. They allow private schools to charge additional tuition; the voucher system forbids it. They allow private schools freedom to exclude students at will; the voucher system does not. (4)

The long-term effect of most present and proposed state legislation would be the creation of several separate systems, all financed from the public treasury, having similar programs but differing in the kinds of pupils they included or excluded. By comparison, the OEO's proposed voucher system would prevent schools from being economically or socially exclusive but would give them latitude in devising programs for the students who chose to enroll. (4)

Limitations

Without actual data, it is difficult to find support for either the opposing or supporting viewpoints on the education voucher system. The system has frequently been compared to the GI Bill to illustrate its feasibility. While some misuse occurred in the GI Bill, overall it was regarded as successful. A study of voucher systems in other countries, however, has not always been favorable. (6)

The Center recognizes some obvious limitations in its model. The system must create new schools or new places in old schools in order to avoid a "political debacle". (9) In addition, EVA must vigorously regulate the marketplace if it is not to become another layer on the crusted bureaucracy. Other problems still to be considered are: How will new school construction be financed? Who is responsible for tax apportionment formulas? Who will supervise the EVA's? What about the relations between EVA and the local school board? Finally, the constitutionality of the education voucher system is questionable.

The Future

The education voucher system, as defined by the Center for the Study of Public Policy, appears to offer a viable alternative to the present American system of education. Short of a demonstration, however, all discussion of it remains theoretical. Given the nearly unanimously held opinion of the present unsatisfactory state of affairs in education, an experimental operation of the system seems worth a try.

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